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MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT: The Moscow-Havana Satellite Communication Link

1. This memorandum responds to your questions of last Friday on the 9 January Soviet agreement to move ahead in Cuba with the construction of a ground station for satellite communications. The announcement is hardly a surprise, since the project has been discussed frequently since 1966 and even now the construction date is most uncertain. The recent warming of political relations between the two countries has provided the impetus to move ahead at this time.
2. The Cuban ground station will be the first Soviet station outside the borders of the USSR with a bilateral two-way -- send and receive -- capability. It will provide multichannel telephone, telegraph and TV links between the two countries. Its communications importance should not be overemphasized. The current Soviet communications satellite is of quite limited capability and it may be several years before an improved Soviet satellite system is available.
3. The principal importance to the Soviets of the announcement is the ability to make a propaganda claim that they are now moving ahead in the field of international satellite communications. Soviet progress in this field has been virtually nil, and the Communist consortium -- Intersputnik -- is having a difficult time becoming viable. The timing of the Soviet-Cuban announcement may also be related to the fact that the US sponsored International Telecommunications Satellite Consortium (Intelsat) has a major organizational meeting coming up in February, to be attended by perhaps 70 countries.
4. To Cuba, the unique benefits are largely cultural, through an ability to exchange TV programs with the USSR. Also, a communications satellite undoubtedly has prestige value to Cuba. The provision of more voice and telegraph channels in the satellite is probably of marginal importance and could be matched by adding more high frequency (H-F) radio equipment to the existing Moscow-Havana link.

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